

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Mail Processing Network
Rationalization Service Changes, 2012

Docket No. N2012-1

PRESIDING OFFICER'S INFORMATION REQUEST NO. 4

(Issued February 8, 2012)

The Postal Service is requested to respond to the following questions to clarify the record on its request for an advisory opinion under 39 U.S.C. 3661(c) regarding the Mail Processing Network Rationalization Service Changes, 2012 (MPNR).¹ In order to facilitate inclusion of the requested material in the evidentiary record, the Postal Service shall have a witness attest to the accuracy of the answers and be prepared to explain, to the extent necessary, the basis for the answers at the hearings.² Responses shall be provided no later than February 21, 2012.

The following question(s) are directed to witness Emily R. Rosenberg (USPS-T-3)

1. Please provide the source data and an explanation of the development of the figures in the column "2010 Volume" by operation in LR-USPS-N2012-1/13 file "USPS.LR.N2012.1.13" tab "FY2010 Workload." If the raw data were modified, please provide the spreadsheet or other program(s) used to produce the figures.
2. LR-USPS-N2012-1/15 file "15_LogicNet Model.xls" contains the inputs for a LogicNet Project.

¹ Request of the United States Postal Service for an Advisory Opinion on Changes in the Nature of Postal Services, December 5, 2011 (Request).

² The Postal Service may redirect questions as necessary to provide a complete response, including the provision of institutional responses, if necessary.

- a. Please confirm that the tab “PlantDetails” contains 476 processing facilities.
 - i. Please confirm that in column F, “Active,” 125 facilities have a value of “False.”
 - ii. Please confirm that facilities with a column F value of “False” cannot be chosen as production sites by a Logic Net optimization.
 - iii. Please discuss why these 125 facilities were not functionally included in the model.
- b. Please confirm that the Logic Net model provided in “15_LogicNet Model.xls” models the outbound transportation links between SCFs and 3-digit customer centroids.
- c. Did the Postal Service attempt to model both inbound and outbound transportation links between 3-digit customer centroids and processing facilities?
 - i. If so, please provide the workpapers or Logic Net projects developed to model these links.
 - ii. Please discuss the relative merits of a model with one transportation leg (outbound) compared to one with two legs (outbound and inbound).
- d. Did the Postal Service attempt to model inbound and outbound transportation links between processing facilities?
 - i. If so, please provide the workpapers or Logic Net projects developed to model these links.
 - ii. Please discuss the relative merits of a model with one transportation leg (outbound) compared to one with two legs (outbound and inbound).

- e. Did the Postal Service attempt to model inbound and outbound transportation links between processing facilities and the NDC network?
 - i. If so, please provide the workpapers or Logic Net projects developed to model these links.
 - ii. Please discuss the relative merits of a model with one transportation leg (outbound) compared to one with two legs (outbound and inbound).
 - f. Did the Postal Service develop a sensitivity analysis to evaluate the importance of the cost inputs used in the Logic Net Model, such as the RT production cost and operating cost by facility? If so, please provide and explain the findings of the analysis, and provide the workpapers developed to support it.
3. LR-USPS-N2012-1/14 file "14_Mail Processing Window Scoring Tool.xls" tab "Baseline Costs" contains square footage, operating hours, operating costs, overhead hours, and overhead costs for facilities with MODS Workhours.
- a. Please confirm that these data were used as inputs for LR-USPS-N2012-1/46.
 - b. Please confirm that the sum of Column AI "Overhead Hours" is 181,369,244. If not, please explain.
 - c. Please confirm that the sum of Column AJ "Operation Hours" is 104,472,615. If not, please explain.
 - d. In FY 2010, at the processing facilities with MODS workhours, did overhead hours constitute 63.45 percent of total hours $(181,369,244 / (181,369,244 + 104,472,615))$?
 - e. Please provide the source data and an explanation of the development of the information in the tab "Baseline costs." If the raw data were modified,

please provide the spreadsheet or other program(s) used to produce the figures.

The following question(s) are directed to witness Frank Neri (USPS-T-4).

4. During the technical conference on January 20, 2012, the Postal Service stated that average machine throughput was used to determine the number of machines needed to process mail at modeled locations. For each facility, by operation, please provide the current operating window and the average throughput for each machine used in the operation.

The following question(s) are directed to witness Cheryl D. Martin (USPS-T-6).

5. Please refer to the Responses of the United States Postal Service to Questions 2(b), 9, 10, 12 and 15(l) of Presiding Officer's Information Request No. 1.
 - a. Please refer to the response to question 9(b).
 - i. Please provide a description of the methodology for obtaining the 30.5 percent weighted average reduction in plant-to-plant transportation capacity and a copy of the spreadsheet or program where the calculation is performed, including all supporting details used.

- ii. Please reconcile the difference in the total number of “potential trips eliminated” for the Eastern Area provided in the response to question 9(b), with the number provided in LR-USPS-N2012-1/1,1 Excel file “Transportation Spreadsheets LR,” worksheet ‘Plant to Plant Summary.’
 - b. Please refer to the response to question 10. Please provide all plant-to-plant surface transportation trips, and all information for each trip in the same table format as Excel file “Attach.Resp. POIR1.Q10,” worksheet ‘plant to plant Trips’.
- 6. Please refer to the Response of the United States Postal Service Witness Martin to question 11 of Presiding Officer's Information Request No. 1.
 - a. Please provide a description of the methodology for obtaining the 14.32 percent weighted average reduction in operating miles of plant-to-post office transportation and a copy of the spreadsheet or program where the calculation is performed, including all supporting details used.
 - b. Please provide all current and proposed plant-to-post office routes and trips for all Areas in table format. For each route and/or trip, please include Area, origin post office/facility, destination post office/facility, stops, current mileage, current trip frequency, current cost, proposed mileage, proposed trip frequency, and proposed cost.
- 7. Please refer to the Response of the United States Postal Service Witness Martin to PR/USPS-T6-12(d). Please elaborate in detail the statistical methodology used for selecting the plant-to-post office routes for evaluation.

8. In response to PR/USPS-T6-4(c) about plant-to-plant transportation, witness Martin stated that “[d]ata and calculations on increases in trip length have not been finalized and I did not rely on such data in preparing my testimony for this docket.”
 - a. Please provide an updated estimate of the percentage reduction in plant-to-plant transportation capacity that incorporates the expected increases in trip length from network rationalization.
 - b. Please provide a discussion of methodology and all supporting analyses.

The following question(s) are directed to witness Kevin Rachel (USPS-T-8).

9. The response to NPMHU/USPS-T8-2 states “Workhour reductions can be achieved in a number of ways, including the reduction of full, part-time, or non-career employees, or through the reduction of workhours or overtime hours for these groups.”
 - a. Please confirm that the Business Management Guide (BMG) is used for complement and workhour planning.
 - b. Please describe, in detail, how BMG is used.
 - c. Is BMG used in the AMP process?
 - d. Did the Postal Service use BMG to estimate the impact of the network realignment assuming all candidate facilities were closed or consolidated? If so, please provide the results.
 - e. Please provide the latest edition of the BMG.

The following question(s) are directed to witness Rebecca Elmore-Yalch (USPS-T-11).

10. Please refer to the Response of United States Postal Service Witness Elmore-Yalch to POIR No. 1, question 18a. In the response, witness Elmore-Yalch indicates that data were not used if a respondent did not provide data for relevant time periods.
- a. Consider observation number 439003157 from “First-Class Mail_Consumers_FinalDataFile_USPS-LR-N2012-1_NP1.sav”, a portion of which is displayed in the table below.

qno	U1A_2012	U1B_A_201 2	U1B_B_201 2	U1B_C_201 2
439003157	100	100	0	0
	U2A_2012	U2B_A_201 2	U2B_B_201 2	U2B_C_201 2
	25	100	0	0
	U3A_2012	U3B_A_201 2	U3B_B_201 2	U3B_C_201 2
	12	75	25	0
	TOTAL_FCM_2012_BEFORE			
	<i>missing</i>			

The above observation is one of several observations where the total mail volume is missing despite the presence of available data. Please explain why the Total First-Class Mail Volume is not provided for this observation.

- b. Consider observation number 439004464 from “First-Class Mail_Consumers_FinalDataFile_USPS-LR-N2012-1_NP1.sav”, a portion of which is displayed in the table below.

qno	U1A_2012	U1B_A_2012	U1B_B_2012	U1B_C_2012
439004464	40	80	10	10
	U2A_2012	U2B_A_2012	U2B_B_2012	U2B_C_2012
	100	<i>missing</i>	<i>missing</i>	<i>missing</i>
	U3A_2012	U3B_A_2012	U3B_B_2012	U3B_C_2012
	0	0	0	0
	TOTAL_FCM_2012_BEFORE			
	32			

The above observation is one of several observations where the Total First-Class Mail Volume is provided despite the presence of missing data. Please explain how these missing observations were handled.

- c. Please provide a general description all of the ways in which missing responses were handled in the calculation of volume forecasts from the following datasets: “First-Class Mail_Consumers_FinalDataFile_USPS-LR-N2012-1_NP1.sav”; “First-Class Mail_SmallHome_FinalDataFile_USPS-LR-N2012-1_NP1.sav”; and “First-Class Mail_LargeCommercial_FinalDataFile_USPS-LR-N2012-1_NP1.sav” located in USPS-LR-N2012-1/NP1.

Ruth Y. Goldway
Presiding Officer